

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

-against-

**ROBERT J. MUELLER, DEEPROOT FUNDS
LLC (a/k/a dprt Funds, LLC), AND POLICY
SERVICES INC.,**

Defendants,

-and-

**DEEPROOT TECH LLC, DEEPROOT
PINBALL LLC, DEEPROOT STUDIOS LLC,
DEEPROOT SPORTS & ENTERTAINMENT
LLC, DEEPROOT RE 12621 SILICON DR LLC,
AND ROBERT J. MUELLER, JEFFREY L.
MUELLER, AND BELINDA G. BREEN, AS CO-
TRUSTEES OF THE MB HALE OHANA
REVOCABLE TRUST,**

Relief Defendants.

Civil Action No.: 5:21-cv-785-XR

**JOINT MOTION TO AMEND ORDER ON PRELIMINARY INJUNCTION
AND ASSET FREEZE REGARDING TURNOVER TO CHAPTER 7 TRUSTEE**

Plaintiff Securities and Exchange Commission (the “SEC”), and J. Patrick Lowe, Chapter 7 Trustee, (the “Chapter 7 Trustee”) through their undersigned counsel, hereby jointly move the Court to enter the attached proposed Order (“Modification Order”) to modify and amend the Court’s September 23, 2021 Order Freezing Certain Assets, Ordering and Accounting, and Preliminary Injunction (Dkt. No. 7) (“Asset Freeze”) to allow the turnover of certain assets to the Chapter 7 Trustee.

On December 9, 2021, Defendants deeproot Funds LLC and Policy Services, Inc., and Relief Defendants deeproot Pinball LLC, deeproot Studios LLC, and deeproot Tech, LLC (together

the “Debtor Defendants”) filed Chapter 7 petitions in the United States Bankruptcy Court for the Western District of Texas (the “Bankruptcy Court”). *In Re: deeproot Capital Management, LLC, et al.*, No. 21-51523 (Bankr. W.D. Tex.)(jointly admin.)(the “Bankruptcy Cases”).

J. Patrick Lowe was appointed Chapter 7 Trustee for the Bankruptcy Cases of the Debtor Defendants (“Chapter 7 Trustee”). (Bankr. Dkt. No. 19)

The SEC and the Chapter 7 Trustee (the “Parties”) agree to modify the Asset Freeze to allow the Chapter 7 Trustee to identify, locate, collect and liquidate assets of the Defendant Debtors’ bankruptcy estates and to pay trustee and other professional fees as approved by the Bankruptcy Court.

To that end, the Parties agree that the Asset Freeze should be modified as follows:

1. Notwithstanding Section III of the Court’s Order Freezing Certain Assets, Ordering an Accounting, and Preliminary Injunction (Dkt. No. 7), J. Patrick Lowe, in his role as Chapter 7 Trustee in the Bankruptcy Cases being jointly administered under Case No. 21-51523, *In Re: deeproot Capital Management, LLC, et al.*; in the United States Bankruptcy Court for the Western District of Texas, is permitted to (a) liquidate, through sale or otherwise, any assets that constitute property of the Debtors’ Chapter 7 estate pursuant to the applicable provisions of the Bankruptcy Code; (b) pursue avoidance claims and related claims against third parties as provided for in Chapter 5 of Title 11; and (c) pay, from the proceeds of such liquidated assets or avoidance claims, the following (with all remaining proceeds to be held by the Chapter 7 Trustee pending further order of the Bankruptcy Court): (i) any fees and expenses of the Chapter 7 Trustee’s professionals that are approved for payment by the bankruptcy court pursuant to Sections 330 and 331 of the Bankruptcy Code; (ii) any fee payable to the Chapter 7 Trustee under Section 326 of the Bankruptcy Code that is approved by the Bankruptcy Court; (iii) any amounts necessary to maintain the value of any assets of the Debtors; and (iv) any amounts due to third parties as approved by the Bankruptcy Court.
2. Nothing in the Court’s Order Freezing Certain Assets, Ordering an Accounting, and Preliminary Injunction (Dkt. No. 7) or Order Modifying Asset Freeze (Dkt. No. 21) is intended to limit or constrain the Chapter 7 Trustee’s fulfillment of his responsibilities and duties as Chapter 7 Trustee under the laws of the United States, the Bankruptcy Code and/or the orders of the United States Bankruptcy Court, including but not limited to those duties related to the maintenance, preservation, marshalling, and distribution of any of the Debtors’ assets in accordance with the above authority, including any distribution or liquidation of assets as approved by the courts or to limit the protections he is afforded under those laws.

3. Any sums remaining in the following accounts shall be turned over to the Chapter 7 Trustee:
- a. Deeproot Funds LLC account ending in -2534
 - b. Deeproot Funds LLC account ending in -2385
 - c. Policy Services Inc. account ending in -3099
 - d. Policy Services Inc. account ending in -8487
 - e. Policy Services Inc. account ending in -3081
 - f. Policy Services Inc. account ending in -8461
 - g. Deeproot Studios LLC account ending in -6415
 - h. Deeproot Tech LLC account ending in -6575

Nothing in the proposed modification modifies or is intended to modify the Asset Freeze or other injunctive relief as to Defendant Robert J. Mueller.

The Chapter 7 Trustee agrees to give the SEC and all creditors and investors who file proofs of claim notice and an opportunity to object to the distribution of the funds in the above-referenced accounts in the Bankruptcy Cases.

Dated: January 13, 2022

/s/ David A. Nasse

David Nasse
Trial Counsel
Christian D. H. Schultz
Assistant Chief Litigation Counsel
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549
(202) 551-4740 (Schultz)
(202) 551-4414 (Nasse)
nassed@sec.gov

***Counsel for Plaintiff United States
Securities and Exchange Commission***

/s/ Randall A. Pulman

Randall A. Pulman
Texas State Bar No. 16393250
rpulman@pulmanlaw.com
PULMAN, CAPPUCCIO & PULLEN, LLP
2161 NW Military Highway, Suite 400
San Antonio, Texas 78213
(210) 222-9494 Telephone
(210) 892-1610 Facsimile

Counsel for J. Patrick Lowe, Trustee

CERTIFICATE OF SERVICE

I certify that on the 13th day of January, 2022, a true and correct copy of the foregoing document was filed electronically through the Court's CM/ECF system, which will send copies to all counsel of record.

/s/ David A. Nasse _____

David A. Nasse

Trial Counsel

*Counsel for Plaintiff United States Securities
and Exchange Commission*